

Appl. No. 09/602,202  
Arndt. Dated 10/22/2004  
Reply to Office action of 9/17/2004

### REMARKS/ARGUMENTS

This Amendment is in response to the Office Action mailed September 17, 2004. In the Office Action claims 1-15 stand rejected under 35 U.S.C. § 103(a).

Applicant gratefully acknowledges the courtesy of a telephone conference that took place with the Examiner on October 7, 2004. Applicant respectfully submits that the general substance of Applicant's arguments in the interview with the Examiner are set forth in the following remarks.

As discussed with the Examiner, Applicant has amended independent claims 1 and 9 to further clarify the embodiments of the invention. In view of these amendments, and based upon the following remarks, Applicant respectfully submits that it is clear that the limitations of amended independent claims 1 and 9 are not taught, suggested, or rendered obvious by the references previously cited in the Office Action.

#### *Rejections Under 35 U.S.C. § 103*

Claims 1-15 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Stefik (U.S. Patent No. 5,715,403) (hereinafter Stefik), Service-in-a-Box (a collection of prior art cited) (hereinafter SIAB), along with various other references.

As will be discussed, Applicant respectfully submits that the limitations of amended independent claims 1 and 9 are not taught, suggested, or rendered obvious by the references previously cited by the Office Action, and particularly, are not rendered obvious in view of U.S. Patent No. 5,715,403 issued to Stefik (hereinafter Stefik), in combination with the collection of articles and/or press releases related to Service-in-a-Box (hereinafter SIAB), and/or in combination with the Office Action's recently cited articles and/or press releases generally related to prepaid Internet access cards (hereinafter prepaid Internet access card references).

Applicants respectfully traverse the Office Actions §103 obviousness rejections in their entirety, in light of the following remarks. As stated in MPEP §2141.03:

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A prima facie obviousness rejection requires the three basic criteria be met. First, there must be some teaching, suggestion, or motivation, either in the references of themselves, or in the knowledge generally available to one skilled in the art, to modify the reference or to combine the references. Second, there must be some reasonable expectation of success. Finally, the prior art reference, or references when combined, must teach all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on the Applicant's disclosure. MPEP §2141.03. (Emphasis added).

MPEP §2141.03 further warns that *impermissible hindsight must be avoided*.

Furthermore, with regards to obviousness, as aptly stated by the Federal Circuit in *In re Kotzab*, 55 U.S.P.Q.2D (BNA) 1313, 1316-1317 (Fed. Cir. 2000):

Most if not all inventions arise from a combination of old elements. Thus every element of a claimed invention may often be found in the prior art. However, *identification in the prior art of each individual part claimed is insufficient to defeat patentability of the whole claimed invention*. Rather, to establish obviousness based on a combination of the elements disclosed in the prior art, there must be some motivation, suggestion, or teaching of the desirability of making the specific combination that was made by the applicant. (Emphasis added).

Applicant has amended independent claims 1 and 9 to further clarify the embodiments of the invention.

Amended independent claims 1 and 9 generally relate to:

A method for distributing digital works among a retail merchant having a merchant node, a remote server, and a customer at a customer node...Each digital work has identification data associated with therewith...

The method generally includes the steps of...Storing digital works and their associated identification data on a memory of the remote server...*Purchasing from the retail merchant a package associated with a desired one of the digital works in which the package includes a package identifier displayed on the outer surface of the package...The package identifier being a code that includes the desired digital work's identification data to uniquely identify the digital work and the package being purchased...The outer surface of the package further displays a*

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*description of the content of the digital work... Sending a request from a merchant node associated with the retail merchant to the remote server to set a status of the desired digital work as available for access based on the package identifier of the package associated with the digital work... The remote server receiving the request and searching the digital works stored in the remote server for the desired digital work specified by the package identifier in the received request from the merchant node and setting the status of the desired digital work as available for access...*

Sending a request to access the desired digital work from the customer node through the communications network to the remote server in which *the request specifies the desired digital works identification data included in the package identifier displayed on the outer surface of the purchased package... receiving at the remote server the request to access the desired digital work... Searching the digital works stored in the remote server for the desired digital work specified by the identification data associated with the package identifier displayed on the outer surface of the purchased package in the received request... Identifying the digital work based upon the received identification data... Transmitting the desired digital work from the remote server through the communication network to the customer node... Receiving and storing at the customer node the desired digital work.*

Amended independent system claim 9 includes even further structural limitations.

As set forth in the previous Office Action, the previous Office Action (pages 4-5) alleges that Stefik teaches or suggests storing digital works and identification data on a server, sending a request to access the desired digital works from a customer node, receiving a request to the remote server, and transmitting digital works between the remote server and the customer node, etc.

The Office Action (page 5) further alleges that Stefik teaches purchasing from a retail merchant a package associated with the desired one of the digital works in which the package includes a digital work's identification data and a description of the digital work. The Applicant respectfully disagrees, and, as will be discussed, Applicant respectfully submits that Stefik does not teach this limitation.

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More particularly, as will be discussed, Stefik's intended function would be destroyed by utilizing a package, a retail merchant, a merchant node, etc., such that it cannot be properly used in an obviousness rejection to in hindsight approximate the limitations of Applicant's amended independent claims 1 and 9. In fact, Stefik teaches away from the limitations of Applicant's amended independent claims 1 and 9.

Particularly, Stefik does not teach or suggest *a merchant node associated with the retail merchant to send a request to a remote server to set a status of a desired digital work as available for access based on a package identifier of a package associated with the digital work.*

As will be discussed, there is no teaching or suggestion in Stefik of utilizing a *package with a package identifier being displayed on the outer surface of the package in which the package identifier is a code that includes a desired digital work's identification data to uniquely identify the digital work...a retail merchant...a merchant node..., etc;* Because the intended function of Stefik is not to utilize a retail environment, a merchant node and delivering the entire digital work to a customer node. In fact, as will be discussed, Stefik teaches away from this.

To begin with, Stefik is related to a very different invention. Particularly, Stefik is related to methods of digital rights management in transmitting digital works between trusted repositories. Stefik has nothing to do with the limitations of Applicant's amended independent claims 1 and 9 related to the purchasing of packages having package identifiers associated with particular digital works in a retail environment.

As set forth in the Abstract of Stefik, Stefik teaches:

A system for controlling use and distribution of digital works...The present invention allows the owner of a digital work to attach usage rights to their work... The usage rights define how the individual digital work may be used and distributed...Instances of usage rights are defined using a flexible and extensible usage rights grammar...The behavior of a usage right is embodied in a predetermined set of usage transaction steps...

Thus, as set forth in the Abstract of Stefik, Stefik relates to controlling the use and distribution of digital works utilizing an extensible usage rights grammar in which the behavior of a usage right is embodied in a predetermined set of usage transaction steps.

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More particularly, Stefik as set forth in the Summary of the Invention section states that:

Digital works and their attached usage rights are stored in repositories...Digital works are transmitted between repositories...Repositories interact to exchange digital works according to a predetermined set of usage transaction steps...The behavior of usage right is embodied in a predetermined set of usage transaction steps...The usage transaction steps further check all conditions which must be satisfied before the right may be exercised...The usage transaction steps define a protocol used by the repositories for requesting the exercise of a right and carrying out of a right (Stefik, column 4, lines 40-49, Emphasis added).

As described in the Summary of the Invention, and as disclosed in the detailed description of Stefik, Stefik relates to transmitting digital works between trusted repositories. Stefik does not teach or suggest the use of a retail environment, a package, a merchant node, etc. This is because Stefik teaches a totally different invention related to digital rights management system and, in fact, teaches away from the use of a package, a retail environment, a merchant node, etc. As set forth in Stefik:

A key feature of the present invention is that usage rights are permanently 'attached' to the digital work...Thus the usage rights in any associated fees assigned by a creator and subsequent distributor will always remain with a digital work...The enforcement elements of the present invention are embodied in repositories...Among other things, repositories are used to store digital works, control access to digital works, bill for access to digital works and maintain the security and integrity of the system...The combination of attached usage rights and repositories enable distinct advantages over prior art systems...As noted in the prior art, payment of fees are primarily for the initial access...In such approaches, once a work has been read, computational control over that copy is gone...In contrast, the present invention never separates the fee descriptions from the work...Thus, the digital work genie only works from one trusted bottle (repository) to another, and all uses of copies are potentially controlled and billable. (Column 6, lines 62-68; column 7, lines 1-15, emphasis added).

Thus, Stefik relates to maintaining tight control over digital works such that the rights always follow the digital work between trusted repositories and distinguishes over prior art systems. Applicant respectfully submits that these prior art systems are retail merchants as described in the Background Section of Stefik.

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For example, one type of prior art system is particularly discussed in the Background Section of Stefik at column 2, lines 55-67. This prior art system, that Stefik allegedly improves upon, and teaches away from, is a system for controlling the distribution of digitally encoded books that includes point of sale kiosks for the storing and downloading of books, personal storage mediums to which books are downloaded into, and readers for viewing the book. In a purchased transaction, a purchaser will purchase a voucher card representing the desired book. The voucher will contain sufficient information to identify the book purchased. To download the book, the voucher and cartridge are inserted into the kiosk.

Thus, Applicant respectfully submits that Stefik's intended function is to do away with utilizing a retail merchant and in which a copy is later downloadable directly to a customer for unlimited use by the customer - because Stefik is directed to transmitting digital works between trusted repositories in which the usage rights are always attached to the digital works.

It is a basic tenant of a prima facie case of obviousness that if a prior art reference is cited that requires modification in order to meet the claimed invention, or requires some modification in order to be properly combined with another reference, and if such modification destroys the purpose or intended function of the invention disclosed in the reference, then the references are not properly combinable. Thus, the Federal Circuit has consistently held that when a § 103 rejection is based upon a modification of a primary reference that destroys the intent, purpose, or function of the invention disclosed in the primary reference, such a proposed modification is not proper in the prima facie case of obviousness and cannot be properly made. MPEP 2143.01; In re Gordon, 221 USPQ 1125 (Fed. Cir. 1984). Furthermore, it is a basic tenant of a prima facie case of obviousness that "[i]t is improper to combine references where the references teach away from their combination." MPEP § 2145 (emphasis added).

As discussed in detail above, the intended function of Stefik would be destroyed if it were to be utilized as a primary reference in an obviousness combination for *teaching purchasing from a retail merchant a package associated with a desired digital work having a package identifier that is displayed on the outer surface of the package including a code that includes the desired digital work's identification data and in which a request is sent from the merchant node of the*

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*retail merchant to a remote server to set a status of the desired digital work as available for access based on the package identifier of the package such that a user can later download the entire digital work to their own customer node computer.*

In fact, the whole purpose of Stefik is to teach away from this type of methodology and system.

As previously discussed, the Applicant noted that the previous Office Action utilized Stefik for the teaching of purchasing from the retail merchant a package associated with the desired one of the digital works...the package including the digital work's identification data and a description of the digital work. (Office Action, page 5).

However, as previously discussed in detail, Applicant respectfully disagrees with this teaching. Particularly, this alleged teaching comes, in part, from the Background Section of Stefik, upon which Stefik, teaches away from; and, also, Applicant respectfully submits, a misreading of the term "ticket" in Stefik.

The Office Action on page 5 states that the "ticket" is an indicator that a ticket holder has already paid for or is otherwise entitled to some specific right, product, or service. The Office Action appears to be analogizing the term "ticket" as to being equivalent to a package, which, it is not.

More particularly, a "digital ticket" is itself a digital work and is transferred between repositories to allow only for one-time usage rights. As set forth in Stefik: "for one-time usage rights, a variant on this scheme is to have a digital ticket...a ticket is presented to a digital ticket agent, whose type is specified on the ticket...Tickets are digital works and can be copied or transferred between repositories according to their usage rights..." (column 23, lines 13-26).

Thus, the use of the "digital ticket" of Stefik and/or the Background Section of Stefik cannot be utilized to teach or suggest Applicant's claim limitations related to purchasing from a *retail merchant a package associated with a desired one of the digital works wherein the package includes a package identifier that is a code that includes the desired digital work's identification data to uniquely identify the digital work and wherein a merchant node associated*

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*with a retail merchant sends a request to a remote server to set a status of the desired digital work as available for access based on the package identifier of the packets associated with the digital work such that the digital work can ultimately be received and stored by a customer at their customer node.*

As previously discussed, Applicant respectfully submits that Stefik's intended function is to do away with utilizing a retail merchant and in which a copy is later downloadable directly to a customer for unlimited use by the customer - because Stefik is directed to transmitting digital works between trusted repositories in which the usage rights are always attached to the digital works.

Thus, Applicant respectfully submits that Stefik's intended function would be destroyed by trying to utilize it in this way, such that it cannot be used as a primary reference in trying to in hindsight teach or suggest Applicant's amended independent claims 1 and 9.

Therefore, Applicant respectfully submits that it is clear from the above discussion of Stefik, that Stefik cannot be used as a primary reference for the purposes of teaching or suggesting Applicant's claims in combination with the other elements. This is because in order to do so, the intended function of Stefik would be destroyed, and in fact, Stefik teaches away from Applicant's amended independent claims 1 and 9.

Further, even if Stefik could be used as a valid primary reference, its combination with the other references would still not teach or suggest Applicant's amended independent claims 1 and 9.

The Office Action has set forth a number of Service-in-a-Box (SIAB) articles and/or press releases for teaching or suggesting that a consumer can purchase a package from a retail merchant. Firstly, it should be noted that these press releases and/or articles are most likely non-enabling references and should not be used as part of an obviousness rejection.

However, assuming *arguendo* that they are valid enabling references, they do not teach or suggest Applicant's claim limitations. The DEC SIAB reference, teaches a personal access number that buyers can call via a phone as many times as they like, during the course of one year,

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for help with more than 400 applications for DOS, WINDOWS, and MACINTOSH. Thus, this SIAB reference relates to phone service. The Digital SIAB article or press release contains a membership card for accessing toll-free unlimited telephone support as well as an electronic bulletin board for additional information on products and product resolution summaries. The HP SIAB article or press release relates to a service contract for a printer. If the printer breaks in the first three years and cannot be fixed over the phone, then HP will replace it overnight.

Although, arguably, these references relate to packages for providing technical support via a telephone or a service contract, they in no way alone or in combination teach or suggest Applicant's unique amended independent claim limitations related to a user purchasing from a retail merchant *a package associated with a desired digital work* in which the package includes a package identifier displayed on an outer surface of the package...*the package identifier being a code that includes the desired digital work's identification data to uniquely identify the digital work* and the package being purchased, and in which the outer surface of the package further displays a description of the content of the digital work. Moreover, the SIAB references do not teach or suggest the use of *a merchant node associated with the retail merchant to send a request to a remote server to set a status of the desired digital work as available for access based on the package identifier of the package associated with the digital work*.

Moreover, Applicant would like to address the additional prior art cited by the Office Action related to Internet access cards. The Office Action cited numerous articles and/or press-releases related to Internet access cards from the middle to late 1990's. Most of these articles and/or press-releases relate to pre-paid Internet cards, which allow a user to pay in advance for Internet access. Firstly, it should be noted that these press releases and/or articles are most likely non-enabling references and should not be used as part of an obviousness rejection.

However, assuming *arguendo* they are enabling, they all generally relate to pre-paid Internet access cards. Generally these descriptions relate to an Internet access card having a toll-free dial-up number and a password in which a user dials up the toll-free number and enters a password via a telephone such that they can obtain Internet access or access to a computer network.

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However, these Internet access cards are totally different and actually teach away from Applicant's amended independent claims. This is because Applicant's amended independent claims already presume that a customer at a customer node already has access to a computer network (e.g. the Internet) in order to download a digital work that they have previously purchased at a retail merchant, and for which the digital work has already been previously activated for access. Applicant's invention presupposes access to a computer network (e.g. the Internet).

The Internet access card references relate to buying an Internet access card having a toll-free dial-up number and a password in which a user dials up the toll-free number and enters a password via a telephone such that they can obtain Internet access or access to a computer network.

Therefore, Internet access cards are basically irrelevant and in no way teach or suggest the limitations of Applicant's amended independent claims 1 and 9, alone or in combination with Stefik, and/or the previously discussed SIAB package press releases.

Based on the above, Applicant respectfully submits that Stefik, alone or in combination with the SIAB press-releases, and/or the Internet access card press-releases does not teach, suggest, or render obvious Applicant's novel and unobvious claim limitations set forth in Applicant's amended independent claims 1 and 9. This is because Stefik cannot be used as a primary reference to begin with, because it teaches away from Applicant's claimed invention, and even if it were a proper reference, the combination of references would still not teach or suggest Applicant's amended independent claim limitations set forth in claims 1 and 9.

Thus, based on the above, Applicant respectfully submits that amended independent claims 1 and 9 are patentable over the references cited by the Office Action. Applicant respectfully requests that amended independent claims 1 and 9 be allowed and passed to issuance. Further, the dependent claims, which are dependent upon the allowable amended independent claims, are also allowable and Applicant respectfully requests that they be passed to issuance.

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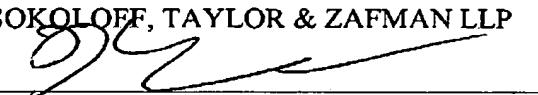
***Conclusion***

In view of the remarks made above, it is respectfully submitted that pending claims 1-15 define the subject invention over the prior art of record. Thus, Applicant respectfully submits that all the pending claims are in condition for allowance, and such action is earnestly solicited at the earliest possible date. The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application. To the extent necessary, a petition for an extension of time under 37 C.F.R. is hereby made. Please charge any shortage in fees in connection with the filing of this paper, including extension of time fees, to Deposit Account 02-2666 and please credit any excess fees to such account.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP

Dated: 10/22/2004

By   
Eric T King  
Reg. No. 44,188  
Tel.: (714) 557-3800 (Pacific Coast)

Attachments

12400 Wilshire Boulevard, Seventh Floor  
Los Angeles, California 90025

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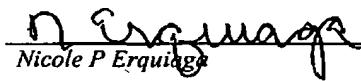
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